

From the Office of

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FOR IMMEDIATE RELEASE May 14, 2008



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Mitzelfelt Releases High Desert Retail Study

Results show opportunity for business growth in Victor Valley

HESPERIA – San Bernardino County Supervisor Brad Mitzelfelt today released the results of a study that shows explosive population growth in the Victor Valley has created a need for more than 2.5 million square feet of additional retail space and that \$288 million in spending is currently leaking out of the market. The analysis, conducted by Inland Empire economist John Husing, shows that recent Victor Valley population increases would support additional business growth.

"Dr. Husing's analysis confirms what Victor Valley residents have known for years – there's a need for more retail in the Victor Valley," said Supervisor Mitzelfelt, who represents the region and commissioned the study. "Victor Valley residents are tired of driving long distances to shop and welcome the opportunity to shop locally at new retailers."

Population growth in the area has generated a corresponding boost in the amount of money available for spending on retail sales. The study found that more than \$2.09 billion is expected to be spent each year in areas of the High Desert economy that support additional retail growth.

Dr. Husing has studied the economy of Inland Southern California for decades and is widely regarded as an expert on economic trends in San Bernardino and Riverside counties. Dr. Husing has been recognized by the Los Angeles Times as one of the 100 most influential people in Southern California.

Through an intensive examination of local, state and federal data, Dr. Husing documented how the wave of economic growth that has pushed across Southern California has now crested in such High Desert communities as Victorville, Apple Valley, Hesperia and Adelanto, as well as in surrounding unincorporated areas of San Bernardino County.

"This phenomenon hit the valley portions of the Inland Empire in the late 1970s and has begun to saturate the available land in large swaths of that area," Husing said in the study. "That is why the High Desert has become Southern California's principal new high-growth center."

Dr. Husing's research shows how, from 2000-2007, the region's population increased by more than 120,000 people, and now is expected to exceed 425,000 by mid-2012. As a result, the total taxable sales in the region more than doubled to more than \$3.32 billion during the same period, while payroll in the area increased from \$1.56 billion to \$2.69 billion.

The growth in population and spending power has resulted in a shortage of retail space in the High Desert, Husing found. He documented how the region is capable of supporting more than 8.25 million square feet of retail space, but is home to only about 5.69 million square feet – a deficit of 2.56 million square feet. Growth in the area is expected to continue into the next two decades. The Southern California Association of Governments, the regional planning agency, predicts that the High Desert will be home to 459,472 people by 2015 and 525,393 by 2020.